

Consideration of Homestead Resource Frequently Asked Questions

Beginning September 1, 2003, if an individual lives in a Nursing Facility for more than six months, the facility will be considered as the primary residence of the individual. If a spouse or dependent family member still lives in the home, we will continue to consider it to be a homestead property. If the individual intends to return to the home, we will continue to consider it to be a homestead property. The value of property that is no longer considered to be a homestead property will be counted as a resource. If the value of the property causes the individual to have resources in excess of \$2,000, Medicaid Eligibility will be discontinued.

1. What happens to individuals who are already active Medicaid recipients in a Nursing Facility?

During the recertification process, we would determine if the individual intended to return to the homestead property. If the individual does not intend to return to the homestead property, the individual will be given notice of the policy change.

2. Is it necessary to advise long-term care providers of the homestead policy change?

The policy change is an eligibility issue that will be discussed with the individual during the recertification process. Providers will be notified of any change in an individual's eligibility through the existing MAP-552 process.

3. How will "dependency" be defined in determining at what point to recognize the homestead property as a resource?

Medicaid will use the same definition as the IRS: the dependent must have received at least 50% of his or her support from the institutionalized individual. The dependent family member must have been living in the home with the institutionalized individual prior to the individual's admission and must continue to live in the home.

4. How will "relative" be defined?

Medicaid defines relative as: child; stepchild or grandchild; parent, stepparent or grandparent; aunt, uncle, niece or nephew; brother or sister, stepbrother or stepsister, half-brother or half-sister; cousin; or in-law.

5. How should we notify applicants that the property may be countable after six months?

Written notice will be given to applicants during the application interview.

6. What if the recipient refuses to sell the home at the 6-month review?

If the individual does not intend to return to the homestead property, or fails to make a good faith effort to sell the homestead property, the value of the home would be entered on KAMES as real non-home property. If this causes the total resources to exceed \$2,000, the case will discontinue due to excess resources.

7. How do we verify that the recipient is trying to sell the property?

We would require the recipient to make a reasonable effort to sell at fair market value by advertising in local media, listing the property with a real estate agent, placing a "For Sale" sign on the property, etc. The recipient would be required to provide reasonable proof that this had been done.

8. Should we require verification that a community spouse or other dependent family member still lives in the home?

If there were a community spouse, we would accept a verbal statement that such spouse lives in the home. If there is no community spouse but there is a dependent family member, we require verification (written statement, collateral contact, etc.)